

SAPC 1889
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21 September 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrences in Amendment No. 1 to Letter Contract for Change Order No. 1, Contract No. SC-21-54, Perkin-Elmer Corporation Project OCTROI

1. Contract No. SC-21-54 was approved by the Director of Central Intelligence on 10 June 1955, in the amount of \$5,400,000. Such contract was negotiated with the contractor at a target price of \$5,085,000, subject to redetermination of the price after expenditure of 75% of the target price. In addition, \$315,000 has been obligated to reimburse the Department of the Air Force for Government Furnished Equipment made available to this project. Subsequently, by Letter Contract for Change Order No. 1 to Contract No. SC-21-54, an additional \$100,000 was made available to the contractor for limited procurement of ground handling equipment which was not included in the original contract because the requirements for same were not finalized. They were, however, sufficiently known to allow limited procurement of selected items.

2. A review of the existing requirements for ground handling equipment indicates that additional procurement can be authorized at the present time. Procurement of the remainder of the ground handling equipment must await development of specifications and the results of test operations and such specifications and results will not be available until approximately 1 October 1955. In the meantime, the contractor has exhausted his present contractual authorizations for ground handling equipment and with the long lead time on certain items, additional contractual authorization must be given at this time or we will suffer delivery delays which may in turn delay the operational phases of the program.

3. This Amendment No. 1 authorizes an additional \$150,000 for procurement of additional selected ground handling equipment items. At such time as all ground handling requirements are finalized, a definitive Change Order to Contract No. SC-21-54 will be issued. It now appears that the total contract authorization which will be required for ground handling equipment will be approximately \$375,000.


4. Funds for this project OCTROI, in an amount not to exceed \$5,500,000 have been committed by memorandum dated 2 January 1955 from the Director of Central Intelligence to the Comptroller of the Agency. Inasmuch as \$5,500,000 has presently been obligated for project OCTROI, the above memorandum will be amended to increase this amount to \$6,000,000. Of this \$6,000,000, the sum of \$5,500,000 was obligated in FY 1955. An additional \$676,000 was budgeted in the FY 1956 budget, of which 117

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\$261,000 was specifically budgeted for this ground handling equipment and \$415,000 was budgeted for contingency overrun of the price-redetermination contract involved.

5. The \$150,000 authorized by this Amendment will be charged to Appropriation 21X6889, FY 1956.


RICHARD M. BISSELL, JR.
SA/PC/DCI

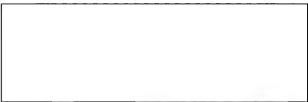
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CONCURRENCES:


General Counsel

(Date: 30 Sept 55)

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Comptroller for the Project

Date: 9/23/55

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APPROVED:


Director